

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 DOTE-00
GSA-01 /082 W

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R 081720Z DEC 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 3395

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DEPT PASS NTSB, WASHDC

E.O. 11652: N/A

TAGS: EMIN, ETRD, BL

SUBJ: GSP: TPSC REVIEW: ADDITION OF TUNGSTEN PRODUCTS

REF: STATE 287982

1. FOLLOWING ANSWERS ARE KEYED TO QUESTIONS ASKED IN REFTEL.
2A. NO TUNGSTEN PRODUCTS ARE NOW BEING PRODUCED IN BOLIVIA. ONLY
TUNGSTEN CONCENTRATES ARE CURRENTLY BEING SOLD ON US MARKET.
TUNGSTEN ORE PRODUCTION AND EXPORTS ARE CONTAINED IN A-86 OF
AUGUST 2, 1976.
B. TUNGSTEN ORE EXPORT PROJECTS ALSO CONTAINED IN A-86.
C. BOLIVIAN PLAN TO BUILD (JOINT VENTURE ENAF-INTERNATIONAL MINING)
AN AMMONIUM PARA TUNGSTATE PLANT (SEE A-21, MARCH 4, 1976) BUT
FEASIBILITY DEPENDS ON ADDITION OF APT TO GSP SINCE US DUTIES ON
APT NOW ARE VERY HIGH. THEREFORE TIMING OF PROJECT DEPENDS ON US
GSP ACTION. BOLIVIAN PRIVATE GROUP HAS PLANS TO BUILD A TUNGSTEN
CARBIDE PLANT BEGINNING IN 1978. THIS PROJECT DOES NOT DEPEND ON
APT BEING PRODUCED IN BOLIVIA. PRODUCTION IS BASED ON ALLOCATION
BY ANDEAN COMMON MARKET AND ONLY VERY LITTLE WILL BE AVAILABE FOR
EXPORT OUTSIDE ANCOM. TOTAL PLANNED PRODUCTION IS ONLY 750 MT.
PLANT WILL HAVE PRIVATE PARTICIPATION AS WELL AS PARTICIPATION OF
ANDEAN DEVELOPMENT CORP AND DEVELOPMENT CORP OF ORURO. ENAF OFF-
ICIAL ALSO EXPRESSED INTEREST IN FUTURE PRODUCTION OF TUNGSTIC

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ACID BUT NO PROJECT TIMETABLE IS AVAILABLE. NO KNOWN BOLIVIAN

INTEREST IN PRODUCING ANY OF THE OTHER LISTED PRODUCTS. TUNGSTEN CONCENTRATES ARE NOW BEING EXPORTED TO US AND PRESUMABLY THIS QUANTITY COULD BE INCREASED SOMEWHAT IF DUTIES ARE ELIMINATED. THEREFORE APT IS ONLY PRODUCT ON LIST OF MAJOR IMPORTANCE, FOLLOWED BY TUNGSTEN CONCENTRATE AND TUNGSTIC ACID AND TUNGSTEN CARBIDE.

D. BOLIVIA EXPORTED 1,271 MT OF FINE TUNGSTEN CONTAINED IN CONCENTRATES TO US IN 1975 OR 49.8 PERCENT OF TOTAL TUNGSTEN EXPORTS AND 1,242 MT IN PERIOD JAN-SEPT 1976 OR 51 PERCENT OF TOTAL. NO OTHER TUNGSTEN PRODUCTS EXPORTED. IF APT PLANT IS BUILT THEN MAJORITY OF ITS EXPORTS ARE PROJECTED TO GO TO US MARKET.

E. 1975 TUNGSTEN EXPORTS TO US ARE \$11.2 MILLION OR 2.4 PERCENT OF TOTAL EXPORTS (BY VALUE) AND 3.6 PERCENT OF MINERAL EXPORT VALUE. (THIS LATTER FIGURE ROSE TO 9 PERCENT IN 1976 DUE TO HIGHER PRICES.) APT, IF PRODUCED AND EXPORTED, WOULD REPRESENT A LARGER SHARE DUE TO VALUE ADDED.

F. AS POINTED OUT IN A-21 THE BOLIVIAN PROJECT FOR AN APT PLANT IS A JOINT VENTURE BETWEEN ENAF (STATE SMELTING COMPANY) AND PRIVATE COMPANY, INTERNATIONAL MINING CO. IT WILL USE US TECHNOLOGY PROVIDED BY SHATTUCK CHEMICAL CO (SALT LAKE) A SUBSIDIARY OF ENGLEHARD MINERALS. THIS WOULD REPRESENT ONLY US INVOLVEMENT IN BOLIVIAN METALLURGICAL INDUSTRY. THIS PROJECT WOULD COMPLEMENT BOLIVIAN ON-GOING EFFORTS TO DEVELOP ITS OWN SMELTING-REFINING INDUSTRY (SEE A-86, PG 24) ALREADY WELL ALONG. TRANSFER OF TECHNOLOGY, APART FROM ADDITIONAL EMPLOYMENT AND FOREIGN EXCHANGE EARNINGS FROM THE PROJECTS, WILL BE SIGNIFICANT CONTRIBUTION TO BOLIVIAN DEVELOPMENT. TRANSFER OF TECHNOLOGY INTERESTING IN THIS CASE BECAUSE PRODUCTION OF APT IS ENTIRELY DIFFERENT PROCESS THAN CONVERSION PROCESSES FOR OTHER METALS LIKE TIN, ANTIMONY, LEAD, ETC.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TUNGSTEN, EXPORTS, ECONOMIC PROGRAMS, GENERALIZED PREFERENCES (TARIFFS), TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LAPAZ09747
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760454-0692
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761263/aaaacbze.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 287982
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2004 by ellisoob>; APPROVED <12 JUL 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GSP: TPSC REVIEW: ADDITION OF TUNGSTEN PRODUCTS
TAGS: EMIN, ETRD, BL, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006